Why This Association of Life Insurance Counsel?

Paper read before the Association of Life Insurance Counsel, December 3, 1918, by C. A. Atkinson, Vice-President and General Counsel of the Federal Life Insurance Company of Chicago, Ill.

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Paper read before the Association of Life Insurance Counsel, December 3, 1918, by C. A. Atkinson, Vice-President and General Counsel of the Federal Life Insurance Company of Chicago, Ill.

I am informed by one of the distinguished sponsors of this Association who was at its birth and christening, that its purposes are:

First: To promote efficiency in legal service to life insurance companies.

Second: To encourage cordial relations among the legal representatives of life insurance companies.

These objects are set forth in the Constitution of the Association.

I am also informed by the same sponsor, that the original idea of the promoters of the organization was to arrange for annual meetings with dinners as parts of the programs so that members might become better acquainted and, as stated by him, "learn to appreciate each other's good qualities and exercise a little more charity at their shortcomings"—in other words, largely social.

The proposition to organize the Association was received so cordially—so enthusiastically by General Counsel that the purposes of the organization were broadened and with objects as stated.

When I received a letter from our able, courteous and genial President, Mr. McIntosh, notifying me that the Executive Committee requested that I should read a paper before your Honors at this meeting, selecting my own topic, in a moment of mental aberration, I accepted. After having done this, naturally and necessarily there followed hours of mental agony in the effort to select a topic. One night while quietly reposing—noise, tumult and strife being absent, the above topic occurred to me.

The more I thought about this topic, the more I became convinced that it was broad enough to permit the discussion of almost any and all subjects.

Therefore, I decided to appropriate it, being satisfied that I would be guiltless of any charge of not sticking to my text, no difference what might be contained in the paper.

Of course, I could have selected a topic that would have afforded broad scope for my profound erudition and superb eloquence, but knowing that there would be those on the program who would soar most beautifully into the empyrean realms—carry you hitherward and thitherward on flights of fancy, I made this selection.

All of you will agree with me that both the objects of this organization are meritorious and commendable and that each member is not only privileged but it is also his duty to do his part in the achieving of these objects.

How may these objects be accomplished? What practical means can be utilized from year to year to effectuate to the largest extent possible the successful realization of these purposes?

The social features of our organization do not require any very great amount of toil and labor. Nevertheless they are very enjoyable and the intellectual feasts at our meetings most entertaining and profitable.

If the first object can be promoted then I think the accomplishment of the second will follow very naturally, for cordiality is one of the elements of an efficient lawyer.

To carry out these objects to their full fruition will require unity of spirit, harmony of purpose. The day of "Competition is the Life of Trade," which was a cut-throat game, has passed into oblivion; to-day the slogan is "Co-operation," in order that there may be a co-ordination of forces so as to achieve the highest and best.

For years there has been great demand for uniformity in insurance legislation—a realization devoutly to be hoped for but not always attainable. However important this uniformity of legislation may be, I am fully persuaded that uniformity of decisions is equally if not more important—I think more. I have no doubt all of you have had the experience of being up against judge-made law in one State and crossing the boundary

into another State have found judge-made law directly to the contrary on the same proposition. Possibly you have found contradictory decisions by the courts of the same State. The fact is, there is too much judge-made law.

Insurance companies, their policy-holders and beneficiaries, are entitled to have the same construction placed on a policy provision by all the courts, both State and Federal.

Conflicting decisions have cost the parties to insurance contracts vast sums—a burden which they never should have been required to bear and which burden they are still bearing and I fear will be compelled to do so for years to come.

All are familiar with the fact that there are conflicting decisions. However, it seems to me that, unless there has been an investigation of the same, the extent of these conflicting decisions and the importance of the questions involved are not realized.

Hence, I desire to bring before you a few illustrations out of thousands that might be given, where very important questions were at issue.

Under provisions requiring the legal surrender of the policy within a certain time in order to obtain the cash value, the Supreme Courts of two or three States have held that time is not of the essence of the contract and that the surrender of the contract is not a condition precedent.

These courts held that the surrender of the policy within the time fixed by the statute of limitations of those States respectively would entitle the party to the surrender value.

All the other courts that have passed on this question so far as I have any knowledge have decided to the contrary—that time is of the essence of the contract and the requirement of the surrender of the policy in order to obtain the surrender value is a condition precedent.

In the field of accident insurance one Supreme Court has held that sunstroke is an accident which is contrary to all previous rulings of all the courts and I might add contrary to medical jurisprudence.

Many of our courts, including the Supreme Court of the United States, have held that a provision in a note that the policy shall become void if not paid when due, is valid and binding.

Other courts have held that unless such provision is in the policy, it does not become void.

In some of the States the courts have decided that where an insurance policy is valid in its inception it may be transferred to an assignee who has no insurable interest in the life insured and such assignment is legal. Other courts have held that such an assignment is invalid. The courts in one State have been on both sides of this question.

Another very important question upon which there is contrariety of decisions is as to the authority of agents to accept notes in payment of premiums, so as to bind the company. Some of the courts have held that an agent who is authorized to close the contract of insurance by delivering the policy and collecting the premium has an implied authority to accept notes for the premium. Other courts have held that such agent has no authority and has no power to waive the requirement in the policy that the premium must be paid in cash and that the taking of a note for the premium is an act outside his authority and does not bind the company.

Some courts have held that if the taking of a note for a premium in lieu of cash is within the apparent scope of the authority of a local agent, then his action in taking such note will bind the company though the policy provides that the agent is not authorized to modify the contract and that he cannot extend credit.

Some of the courts have held where the policy recites something substantially as follows: "In consideration of the application for this policy, copy of which is attached hereto and made a part hereof and the payment in advance of..... dollars, the company agrees," etc., that this is an acknowledgment of the receipt of the first premium and the company cannot show that the first premium had not been paid to and received by the company. Other courts have held under similar language it is simply a receipt showing *prima facie* payment of the premium and the company has a right to show that the premium as a matter of fact was not paid.

In some of the States the courts have held that a contract valid in the State where it was made is valid in every other State; other courts have held that they will not enforce contracts

valid elsewhere but which are contrary to the public policy of the State where it is attempted to enforce such contracts.

In many cases it has been held that the insured cannot escape the effect of the conditions in the policy on the ground of his ignorance thereof due to his failure to read the policy; this, on the theory that it was his duty to read the policy. Other courts have held that the insured is not necessarily estopped by receiving and retaining the policy even though he did not read it from setting up different matters, among them such as a variance between the agreement and the written contract, waiver by the company, etc. In one State the court held that as a general principle it cannot be said as a matter of law that it is the duty of the insured to read his policy when he receives it. Other courts have held directly contrary.

There are a variety of decisions upon the question as to what law applies in the construction of a policy. Some of the courts have held that the contract should be governed by the laws of the State where the policy was issued, notwithstanding an endorsement on the policy that it should be construed according to the laws of a designated State. Other courts have held that the law applicable in the construction of policy contracts is the law of the State where the contract was consummated—others where the contract is to be performed.

Some courts have held that where the contract designates the State whose laws are to be applied to the contract, then such designation is a valid one.

Courts are not agreed upon the proposition as to whether the terms of a policy can be regarded as modified by circulars issued by the company even though such circulars were issued subsequent to the issuance and delivery of the policy. For instance, it has been held that where a circular was addressed to the policy-holders of a company setting forth that it would not insist upon forfeiture of its policies because of the non-payment of interest, it was a waiver on the part of the company to insist upon forfeiture because of non-payment of interest. Other courts have held to the contrary.

I desire to call your attention to a particular case decided by the Supreme Court of the State of Illinois. I think every life insurance company is vitally interested in this case and therefore I am sure you will pardon me if I go into it at some length.

Suit was brought in the Superior Court of Cook County, Illinois, by Monahan, Administrator, against the Metropolitan Life Insurance Company and was tried in that court three times. The first trial resulted in a verdict in favor of plaintiff, which verdict was set aside and a new trial granted. On the second trial the Superior Court directed a verdict in favor of the company, which verdict was reversed on appeal by the Appellate Court and cause remanded to the Superior Court. The third trial resulted in judgment in favor of plaintiff for the full amount of the policy, which judgment was affirmed by the Appellate Court, and the record was brought up and case reviewed on writ of certiorari by the Supreme Court and affirmed.

The policy sued on contained a provision that "after two years this policy shall be incontestable except for the non-payment of premiums as stipulated or for fraud."

It appeared in this case that the insured died within the two years, and notice of death was given within that period. An administrator was appointed and notice of the appointment of the administrator was also given within the two years. Certain misrepresentations were set forth in the defense of the company and to these plaintiff below replied and the court sustained demurrers to these replications.

The Supreme Court of Illinois, in 283 Ill. 136, in deciding this case called attention to the fact that this incontestable clause was not the one usually found in policies of life insurance companies in that it provided that the policy should be incontestable after two years except for *fraud*—that this exception was unusual in clauses of this kind. The company contended, among other things, that the two years must have elapsed during the lifetime of the insured before the clause becamee ffective as a bar. This contention was not sustained by the Supreme Court; that court held that there was nothing in the clause to indicate that the parties were contracting that the company should have two years during the lifetime of the insured in which to investigate and determine whether false statements had been made in the application and that the clause could not be construed as contended for by the company without reading into it that which was not there.

It was suggested by the company that the construction contended for by plaintiff below might work a hardship upon the

insured where policies are made payable to the legal representative of the insured as in that case, and where knowledge of the breach of warranty was acquired after the death of the insured because so short a time might elapse between the date of the death of the insured and the termination of the two-year period that it would be impossible to secure the appointment of a legal representative and the insurer would be helpless to effect a rescission or cancellation of the contract should it desire to do so.

The court held that that situation did not exist in the case and therefore did not pass upon this question.

In deciding that case the Supreme Court further said: "As this policy was issued before the passage of the act regulating the conditions and provisions of life insurance policies the question whether a different rule of construction applies where a statute requires the insertion of specific language in the policy is not presented."

It would seem, therefore, that the construction of this clause in the Standard Provisions is left open so far as this Monahan case is concerned.

In the original opinion of the Supreme Court of Illinois that court held that a defense on the ground of misrepresentations *must be made within the contestable period.* A petition for rehearing was filed and denied. Soon after the denial of the petition for rehearing officials of one of the Illinois companies learned of this decision and immediately took steps to have the opinion modified in this respect. Of course, the time had gone by for filing a petition for rehearing as I have stated. Counsel was employed and the matter taken up with the Supreme Court. The original opinion had not been published at that time. The result was that the Supreme Court modified its opinion to the extent above quoted, that is, they did not pass upon the contestable clause in the Standard Provisions Law of Illinois. The original opinion was never published.

So that if the courts decide that there can be no defense based upon misrepresentations, unless asserted within the contestable period, the incontestable provisions in the policies will be practically of no effect and practically of no benefit to the insurance companies.

Suppose the contestable period is two years; suppose the insured dies within sixty days after the issuance of the policy

and no action brought against the company until after the expiration of the contestable period. Under the decision as originally rendered by the Supreme Court of Illinois in the Monahan case the companies could not defend on the ground of misrepresentations.

In the Monahan case the company cited the case of Schlink vs. John Hancock, 175 Ill. 284, in which it was held that the rights of the parties under a contract of insurance became fixed at the time of the death of the insured.

This case was practically overruled in the Monahan case, the Court saying that the rights of the parties under the incontestable clause do not become fixed at the date of the death of the insured.

I call your attention to a case decided by a Philadelphia court, as follows:

"The policy provided that during the first year the company would be liable only to the amount of premiums paid if insured should 'die as the result of military or naval service in time of war . . . without a permit for such service . . . from the company.' The policy was issued after the commencement of the war with Germany, at which time the insured was a lieutenant in the United States Marine Corps. Some time after the issuance of the policy and before the insured's death, the company wrote him that if he should receive orders for the front he might telegraph for the war permit. Insured was killed by the accidental discharge of his revolver while he was at his barracks in this country. HELD, That the clause in the policy against 'military or naval service in time of war, is to be construed as referring to combatant *service*, especially in view of the construction placed on the clause by the company, and that the company was liable for the full amount."

The question here decided may become a live one in the near future.

In a case decided this year the Supreme Court of Oklahoma held that, to constitute a defense on the ground of misrepresentations, the company "must show, not only that the statements were not true, but that they were willfully false, fraudulent and misleading and in bad faith."

Under this rule how far would a company get in defending on the ground of misrepresentations?

In one State there is a statute that no defense can be asserted that is based upon misrepresentations unless the misrepresentation contributed to the loss. Suit was brought on a policy which contained the almost universal provision that, if there was any misstatement as to age, the company shall be liable for such an amount as the premiums paid would have purchased at the correct age. In the action referred to, the misstatement as to age was admitted, yet the court held as there was no evidence that this misstatement contributed to the death of the insured, the company was not entitled to have the amount payable adjusted on the basis of the correct age, thereby in effect eliminating this provision from the contract and making a new contract.

I do not think it advisable to consume more of your time in citing other illustrations showing conflicting decisions. I want these illustrations as a sort of background.

I grant you that frequently only general rules can be laid down; that in the application of these rules there are opportunities, and possibly, I say possibly, a necessity for diversity of views.

When there is required the application of general rules to a particular case or cases, courts will have different views. Let us admit all this, yet the fact remains that there ought to be no conflict in the decisions as to what these general principles or rules should be.

For instance—only one State Supreme Court, so far as I know, has held that the defense of suicide must be proven beyond a reasonable doubt. There ought to be no diversity of decisions as to whether such a defense must be established by a preponderance of the evidence or by evidence proving this defense beyond a reasonable doubt.

That there are conflicting decisions on almost every question relating to life insurance is admitted. There ought to be some remedy or remedies that, at least to some extent, would reduce this evil.

As I have said, it is not only burdensome on the companies, but also on policy-holders and their beneficiaries.

In my judgment this evil is far more serious and costly than

non-uniformity of insurance legislation and yet so far as I know no systematic effort has been made to find a remedy. Possibly this has been because of the greatness of the undertaking.

I am quite sure much can be done and successfully to alleviate the wrongs, the injustice and the inequity which exists because of the situation which I have indicated.

In suggesting some remedies which to my mind have some medicinal and healing qualities, and which ought to aid in promoting the objects of our Association, I do not do so with reference to the order of their importance.

First: If I were handling the job, I would have all judges of State courts, from the lowest to the highest, appointed—at least all judges of the Appellate and Supreme Courts.

Under our national laws one official appoints all the federal judges and I have neither read nor heard of any special effort having been made to change the law. True, such appointments are made with the consent of the Senate of the United States. In the appointment of judges of the State courts same could be done with the consent or approval of State Senates.

Suppose this appointing power was delegated to commissions composed of the Governors, Lieutenant-Governors and Attorneys General of the respective States. Of course these officers come from different localities in their respective States and hence have a large acquaintance.

The Lieutenant-Governors haven't very much to do as such officers, and the Attorneys General are supposed at least to be lawyers, although in one State anybody that desires to do so can practice law without having any legal qualifications or license. I do not think I would favor life terms for these judges, but terms for say, ten or fifteen years.

In my judgment, this system of selecting judges of State courts would result in the placing on the bench lawyers of greater ability, learning and wisdom than the average judges who are elected.

Further—political pulls—the fact a lawyer is nominated and elected a judge because he controls some precinct or ward would be largely eliminated.

The appointed judge would not have before his mind's eye what he should or should not do in order to be reappointed.

Please do not understand that I am of opinion that under the election system no able, upright and competent judges are elected. I think frequently such judges are elected. But I do think that the judiciary should be taken out of politics—that it should be placed on a higher plane. Much of the respect in which our courts were formerly held has departed, and it seems to me largely because under the elective system politics is so large a factor.

Appointments so made would result in the saving of expense to the people.

Further—Such a commission would be composed of men of State-wide reputation and the people would know exactly where to fix the responsibility for all such appointments, whether good, bad or indifferent. Naturally, and even from the selfish standpoint, such a commission would be desirous of appointing able and competent men.

Judges of proved ability and integrity have been frequently defeated at elections, and partisan adherents to certain political creeds elected.

Second: I believe much can be accomplished by this Association by an exchange of briefs, especially where new questions are involved.

Of course after a brief has served its purpose it could be returned.

With some judges the weight of authority (about which we hear a good deal and which always means there are conflicting decisions) is given due and proper consideration. With other judges it cuts "no ice."

I remember a case where one of the judges of a lower court rendered a decision absolutely contrary to a decision of the Supreme Court of his State, and admittedly so.

I believe it would be valuable to each member of this Association if he knew that he was free to write to any other member or members for suggestions, citation of authorities, etc., as to any question involved in a case he had, especially as to any new questions.

For instance—suppose in some case the question of the construction of the incontestable clause in the Standard Provisions should be up for decision. In view of the holding in the Monahan case, I believe this question would be one in which every

life insurance company and its general counsel would be intensely interested and I am certain every member of this organization would welcome the opportunity to furnish the counsel looking after the case his views and any authorities he could find that would throw any light upon the issue.

As a general rule local attorneys are not well versed in insurance law. This is not their fault; their opportunities, their necessities have not been such as to require them to become familiar with insurance law. Hence it frequently occurs that the company's side of the case is not properly presented.

Many times, I think, companies have had judgment rendered against them because neither their local counsel nor the court understood the fundamental principles underlying the insurance business and law, and therefore failed to grasp the real basic elements of the contract.

It is more difficult to obtain the reversal of a decision than it is to obtain a correct decision in the first instance.

Of the making of so-called law there is no end; much of it is judge-made law, at times based, to some extent at least, on the desire for re-election or for other reasons not founded on the real, fundamental principles on which the decision should be based.

Third: It will be admitted that many judges when elected have practically no knowledge of insurance law or of the fundamental principles underlying the same.

To illustrate: I know of an instance where the judge before whom an insurance case was tried had practiced eighteen years before he was elected and had been on the bench about eight years when this case was heard. He never had an insurance case while he was practicing, and this was the first case while he was judge. Practically twenty-six years without ever having had any occasion to familiarize himself with insurance law.

If some plan could be put in operation by which from some central source information could be had as to authorities pro and con on any given point or proposition, it seems to me the same would be valuable to all of us.

I think a plan could and should be devised and put into practical operation that would bring to each member of this Association the aid and co-operation of other members.

Certainly among our members will be found some of the best and most resourceful legal talent in the country, particularly on questions relating to and involving insurance law.

Suppose a suit is brought against a company whose general counsel is a member of this organization—suppose in said action a new question is raised or one on which the decisions are irreconcilable.

I think this Association should be so thoroughly organized—the members in such close relation with each other, that the general counsel having in charge the case I have supposed could call on any of our members for help in preparing for the trial so that the company's contentions would be supported by the strongest arguments possible with citation of authorities, if any could be found.

It is very important that a correct decision should be obtained when a question is first presented, especially to a court of final result.

Suppose this Association should employ an able and competent lawyer with office, say in New York City, to whom each member would not only feel free to write, but whose duty it would be to furnish the best arguments of which he was capable on the questions submitted to him and accompany same with citation of cases both pro and con.

He could be designated as the Librarian of the Association.

The expense would be small for each member and yet provide proper compensation. The basis of payment by the members or their companies would be a detail easily worked out.

Much of our time is consumed in hunting for authorities. If we had these furnished a large amount of valuable time and labor would be saved each member and at very little expense.

By some such plan it seems to me there would be more probability of obtaining correct and uniform construction of policy provisions, and in promulgating general rules or principles, especially where the question was a new one and also in some cases at least where there had been previous conflicting rulings.

Fourth: I believe all life insurance cases, State and Federal, in Appellate and Supreme Courts, should be watched carefully, especially in the States where there is a member or are members of this Association.

In my opinion this is practical, feasible and can be done without involving very much time or expense. Of course, the courts have printed dockets and it can be easily arranged to have the clerks furnish dockets from which the information can be obtained as to whether there are any cases pending against insurance companies. If so, letters to the attorneys for the companies will develop the questions involved in each case.

If a new question is involved or any other matter which would be of interest or importance to the companies generally, then such steps could be taken as might seem advisable to secure the desired results. If in any one State there is more than one member of this organization, a division of this work could be arranged.

By pursuing this course our Association would be in touch with the situation in all litigation to which life insurance companies are parties and probably prevent any recurrence of such conditions as existed in the Monahan case or other unfortunate and unjust conditions.

I think the Executive Committee should put this suggestion in proper form and instruct the secretary to send same to every member of this organization.

Fifth: Then there is the very important matter of legislation.

I am of opinion that the general counsel are best qualified to handle this subject for many reasons, one of them being that they are better able to determine the legal effect of any proposed legislation than the average layman. Undoubtedly there will be much proposed legislation by Congress and by the legislatures of different States in the near future which will affect life insurance interests very materially if enacted into law.

I am aware of the fact that matters of this character have been and will be looked after by other organizations and with them we can co-operate.

As the reconstruction period is at hand, it seems to me that the interests and prosperity not only of life insurance, but also those of all our people, will be materially affected by legislation now pending in Congress, as well as by proposed legislation both in that body and in the different legislatures soon to assemble.

I believe that, from the standpoint of wisdom, prudence and good judgment, this body should be fully and intelligently

prepared to furnish effective aid in these matters. Of course along the paths indicated there should be unity of action.

To-day this nation is as unprepared for reconstruction as it was for war.

Before this nation entered the war, Mexico flouted us—Germany made sport of us.

Let us hope that speedily the necessary preparedness for peace will be complete and this nation will have its merchant marine, and do its share of the world's business, and that at home prosperity and happiness will prevail.

To-day America is in a strong position. She is now prepared to maintain her rights and honor.

Why not maintain this position so far as necessary even though a league of nations should be formed, which would probably last just as long as each signatory power desired?

Sixth: It undoubtedly would be a meritorious plan for each member to furnish the secretary or some other official a list of the names and addresses of attorneys in every State where possible whom he can recommend as reliable and having some knowledge of insurance law and some experience in the trial of insurance cases. These lists could then be sent the members on cards at actual cost probably not to exceed $3 to $5 per year. Soon each member would have a list of reliable attorneys in nearly every State. The value of such a list is manifest.

You know the first favorable turn of the tide of battle for the United States and its Allies was when all their armies were placed under the absolute command of one man—the matchless, indomitable, able and far-seeing Marshal Foch.

If efficient co-operation is to be attempted by this Association, as to legislation, then I think a committee should be appointed clothed with complete authority to act for the Association.

In working out the mighty problems of the future brains are needed—brains rule the world.

It is not noise that is wanted. The empty head does the most rattling—the empty wagon makes the most racket.

There are some brains in this membership—developed brains—active brains—far-seeing brains—brains backed and buttressed by patriotic zeal and loyal devotion to the best and highest service.

No man can be connected officially with the life insurance business without becoming imbued with loftier ideals and larger conceptions of life and better understanding of at least some of its complex problems, not only as these problems affect the individual as such, but also the individual as a member of society—in his relation to economics—commercialism and the nation.

The general counsel of a life insurance company cannot be separated from the affairs and business of his company. He has to do not only with litigation, but also with agency contracts, policy contracts, legislation, national and State, and a thousand other interests of his company, so that he has become and is an important factor in the life and progress of his company.

Life insurance has become so vast, so beneficent, so intimately connected with and so closely related to the business and home life of the people, that it can not be divorced from social, economic and commercial interests.

At the end of the great war this great American institution of life insurance is larger, sounder and more virile than ever before.

I doubt not that the business of life insurance in its volume, beneficence and influence on the home and business life of the nation will grow as never before. I think this mighty nation is destined to become the greatest beehive of industry and provider in the world.

In all this life insurance will take a prominent and far-reaching part.

Life insurance managements must broaden their vision—enlarge their plans. The service to be rendered by them must be widened and adapted to the changed conditions.

To accomplish the greatest things there must be co-operation on broad and intelligent lines by everybody.

Co-operation in every branch of business will be needed and the sooner intelligent co-operation is begun or increased, the better the preparation to meet the tremendous problems that will have to be met. The experiences this country has had in the last two or three years as to unpreparedness ought to suffice.

Only a short time since we saw the fields yellow with their golden harvest of wheat and oats. We saw the great fields of ripening corn. We have seen nature prolific in her fruitage,

wrapped in the enchantment of the sunset gold. We have seen nature bedecking forest, hill and valley in most exquisite raiment. In this man has co-operated with nature. To-day, as a result of this co-operation, this great nation of ours is able to feed the world.

Nature and man—the greatest co-operative organization in the world—producing the largest results and the highest achievements. By this co-operation the world has been progressing, civilization has been advancing, the brain of man has been developing.

Such are some of the results of co-operation between nature and man.

It seems to me that in this splendid and humanity-helping work, this Association can do much that will be forceful, influential and beneficial.

Great and crucial questions are before this nation—the greatest with which it has ever been confronted—national, world-wide in their scope.

Insurance officials must and will do their part in their solution.

Upon their correct solution will depend very largely the happiness of our people—the prosperity of our country and the stability of its institutions.

To illustrate: The President of the American Federation of Labor is reported by the press to have said there shall be no reduction in wages and that labor will fight to the last against reduction in wages. On the other hand, some manufacturers have said that a reduction in wages must come.

At a meeting of Socialists in Chicago a few evenings since at which the papers said there were more than eight thousand present, the doctrines and tenets of the Bolshevik were approved.

Speaking of the spread of Bolshevik doctrines in the United States, a Chicago paper of recent date published a dispatch from Washington which said:

"Although the agitation is promoted partly by a group of former syndicalists and I. W. W. leaders, investigation shows, say government agents, it is fostered by a new element of dissatisfied citizens, favoring abolition of private property rights and development of government by Soviet Committees, with communal control of industry and trade. Agitators advocate

the retention of present industrial leaders, officials say, until the Soviet organizations can become more familiar with industrial and commercial processes, when they propose to take over the management."

The end of the war not only did not terminate the dangers to our government and its institutions, but at the end of the war we find at least some of these dangers accentuated.

There has been no acknowledgment by German Autocracy nor by any German of a surrender of its purpose to dominate the world—no apology or expression of penitence for German outrages—brutality and starving to death of innocent men, women and children by the tens of thousands.

Men who were officials in the German war cabinet are still in office and in power. The man who is at the head of the present government (if it can be called a government) in Germany supported the Kaiser in all his nefarious schemes of robbery and murder. There has been no change of heart by any German anywhere so far as the world knows.

They are whining now, asking this nation, which they hate with a bitter hatred, to feed them. Personally, I favor the furnishing of food by the United States to the victims of German atrocities in Belgium, France, Italy, Armenia, Poland and Russia before any food shall be sent to the perpetrators of these crimes.

In our land to-day pro-Germanism exists. German propaganda and spies are everywhere. The other day a German priest said the Kaiser ought not to be called a Hun—that he ought to be adored.

The fight against German militarism is not over even in our own land. That battle is still on. The men of Germany who brought on this war must be punished—not revenge although merited—but a full, just and deserved punishment. In this way, and only in this way, can Germany be made to know that civilization will not permit a recurrence of what the world has had to endure for more than four frightful years of horror and bloodshed.

Chaos in Germany—in Poland—in Turkey—in the Balkan States—in Russia and elsewhere. The great responsibility of bringing order out of this chaos rests upon the United States and its Allies. Never was a greater—a more gigantic task placed upon any nations.

Truly has it been said that "Eternal vigilance is the price of liberty." The slimy-crawling German snake is not dead—it is only scotched. If ever eternal vigilance was needed, it is now.

This country is now not only in the world, but it is also of the world and must and will do its part. Great work must be done along educational and constructive lines. Any galoot can tear down. It takes men to build up and co-operation.

Traveling on the train one winter morning, I beheld a most wonderful, fascinating scene. There had been rain the day before. On cornstalk and in furrow the water had frozen. That morning the sun was shining brightly and shedding its effulgence o'er hill and valley. I saw on cornstalk and over furrow billions of most brilliant diamonds and the sparkle of billions of most exquisite gems. Truly an entrancing vision. Had there been no furrows—had there been no cornstalk, there would have been no glittering, glistening jewels in the golden sunlight. Nature and man co-operating.

At the present time many persons interested in the insurance business have great fears that our government will continue in the business—possibly in all its branches.

Personally, I am not very much alarmed over this question. I am of opinion that the war being over, the people of the United States will not take very kindly to paying by taxation indefinitely the enormous amounts that will be necessary to make up deficits as they have been and are doing now and doing willingly and cheerfully, because by so doing they are helping to take care of dependents and beneficiaries of our brave soldiers, sailors and marines.

If the people do not make up these great and increasing deficits, then the government, if it is to continue in the insurance business permanently, will have to charge adequate premium and when it does that insurance companies will be able to continue their business successfully because they can and will take care of the business better, more economically and more efficiently than the government can or will.

One of the best and most practical ways of proving this is for the companies to manage their business economically, efficiently and render to their policy-holders and their beneficiaries the best service possible.

Generally, in the transaction of business by a government there is more or less red tape—frequently more. This is not so in the well-managed insurance company. Such a company is at all times accessible to its patrons and this, too, without unnecessary delay. Necessarily, it seems to me that officials and agents of insurance companies will be in much closer touch with their policy-holders than would be the case with government employees.

The "human element," which is the element in life insurance, would not receive very much attention in connection with government insurance.

If the insurance companies, as a result of proper economy, efficiency and service rendered in the transaction of their business, do so to the satisfaction of the insuring public, then I think the companies will transact all or practically all of the insurance business in the United States. In my judgment, therefore, this question of whether or not the government will continue permanently in the insurance business is up to the insurance companies. If, of these companies, it can at all times be said, "Well done, thou good and faithful servant," then there will be no engaging permanently in the insurance business by the government, at least to an extent which will affect the companies. Much will depend upon the general counsel as to whether this can or cannot be said.

These are some of the reasons why I am not so uneasy about the government engaging permanently in the insurance business as some others, although they may be right and I may be wrong.

In either case the companies should keep their eye on the camera.

The men who will have the most to do with the question as to whether or not the government will engage permanently in the life insurance business will be the general counsel of the companies.

Questions of government ownership—social insurance—regulation of great properties—amending or repealing legislation enacted as war measures—these and hundreds of other great questions will be for determination and life insurance companies will be called upon and must do their part and bear their share.

The corporation known as the United States of America, has

become in these latter days a very close corporation, although it has over one hundred million members. Hence along many lines of endeavor the work and influence of this and other organizations will be curtailed to some extent, at least in the near future.

In the past in congressional and legislative halls, the voice of the lawyer has been heard with respect and his influence has been great.

I am proud to say that in a very large majority of cases this influence has been constructive, upbuilding and for betterment.

I am persuaded it will be so in the future.

In the past this country has had many and large problems to solve—it has solved them and rightly. I am an optimist as to the future. As much so as the man who went to Colorado.

He had an acquaintance down on the Eastern shore who had not seen him for years, and who met him one day and said, "John, how are you getting on?" "I am getting on tolerable peart. I have had my ups and downs and my backwards and forwards. But I came out pretty well in the end." "Well, what have you been doing?" "Well," he said, "My old aunt left me some money, and I didn't know what to do with it, and I got to reading the newspapers, and they said there were some good investments in these Colorado lands; so I went out and bought a farm in Colorado, and I fenced it and stocked it with sheep." "That's good." "No, that ain't so very good, because, you see, they had a drought that year, and nothing grew, and the sheep nearly all starved to death." "Well, that is bad." "No, that ain't so very bad, because, you see, in going out there looking after that farm, I met up with a mighty likely girl, and I fell in love with her and courted her and married her." "That's good." "No, that ain't so good, either. Because, you see, after I married her I found out she had the most villainous temper of anybody I ever saw in my life; she was like a wildcat." "Well, that's bad," "Well, no," he says, "That ain't so very bad, because, you see, she had a lot of money, and I got hold of that money, and I built a fine house and put some nice furniture and pictures in it, and it was the finest house in this section of the country." "Well, that's good." "Well, no, that ain't so very good, because, you see, we hadn't more than got living in the house before it took fire one night, and I didn't carry any

insurance, and it burnt down." "Well, that's bad." "Well, no, that ain't so very bad, because, you see, the confounded woman burnt up with it." So there is always something to be thankful for.

I believe that from out the ashes of a completely destroyed autocracy there shall come a stablized, permanent world-wide democracy.

Our storm-tossed and wind-driven ship of State will find a safe and secure harbor.

In the great reconstruction work of the future, unselfish, untiring, non-partisan efforts will be required.

In all this work many new trails will have to be blazed—much pioneering will be required.

In many respects a revamping of former plans and ideas will be necessary.

This organization ought to and can render valuable assistance in devising new plans and methods which will be adapted to the new conditions.

Our business inculcates unselfishness. Necessarily we must work hard if we discharge our duties and measure up to our responsibilities, and in our business we are not called upon to be partisans.

Therefore we, as well as all other life insurance officials, are so situated as to render intelligent and efficient service.

This Association is composed of men who have been designated for service not only on behalf of their companies but also on behalf of the great and magnificent cause of life insurance. The observation and experience of general counsel are more varied than are those of any other insurance officials. They come in contact actively with all the departments of the company.

When the S. O. S. call is heard they respond promptly, cheerfully and intelligently.

They recognize and realize that one of the highest ideals, if not the highest is service—that one of the highest human endeavors, if not the highest, is service.

"You have a dollar,
I have a dollar.
We swap.
Now you have my dollar,
And I have yours,
We are no better off.

"You have an idea,
I have an idea.
We swap.
Now you have two ideas,
And I have two ideas.
We are both better off."

The tide of human affairs has been higher than ever before. The ebb must come. The pendulum has swung to one extreme —it ought not—it must not be permitted to swing to the other extreme, else will come wreck and ruin.

In the solution of all the weighty questions to which I have made reference and scores of others, life insurance managements must and will be identified and will be of valuable assistance.

I believe in this Association—that it can and will accomplish great things. Our forefathers who, in founding this, the greatest of all nations, builded wiser than they knew. So I opine the founders of this organization builded wiser than they knew. I am sure it will be prepared to meet all demands made upon it and fully accomplish its mission.

I could not refrain from saying something about present conditions growing out of the war because I believe that a great campaign of education is needed in order that our people may understand the hellishness of German propaganda and spies and the insidious efforts that are being made in our land as well as elsewhere to deprive the United States and its Allies to a large extent of the fruits of the great victory for world-wide democracy and to destroy our institutions. Therefore, I think it apropos on almost every occasion to fight these people who are obsessed with the spirit of German Kultur and who are the enemies of freedom and liberty in times of peace as well as having been such enemies in time of war.

My endeavor has been to make some suggestions that may result in the adoption of practical and feasible plans, so that the commendable objects of our organization can and will be fulfilled as far as possible to the benefit of all its members—our companies and for the general good.

If anything herein contained has shown the index finger—if any thought herein suggested—if any idea herein set forth or hinted at, will bring about fuller consideration, put in operation

any plan which will produce better and greater results—create heartier and closer co-operation—a more complete brotherhood—a charity for our frailties—broader vision—larger service, then, indeed, will the objects of this splendid Association be achieved and yours truly will be happy and contented.

We can join with Emerson in saying:

"Gold and iron are good
  To buy iron and gold;
All earth's fleece and food
  For their like are sold.
Boded Merlin wise,
  Proved Napoleon great—
Nor Kind nor Coinage buys
  Aught above its rate.
Fear, Craft and Avarice
  Cannot rear a State.
Out of dust to build
  What is more than dust—
Walls Amphibion piled
  Phoebus stablish must.
When the Muses nine
  With the Virtues meet,
Find to their design
  An Atlantic seat,
By green orchard boughs,
  Fended from the heat,
Where the statesman ploughs
  Furrow for the wheat.
When the Church is social worth,
When the state-house is the hearth,
Then the perfect state is come,
The Republican at home."

There is no place in this land for the flag of Bolshevism, I. W. Wism—Socialism—or the red flag.

There is room in this nation for only one flag—the Stars and Stripes. It is our high privilege as well as duty to see to it that no other flag is borne aloft in the United States of America—a flag made sacred by the blood and sacrifice of our bravest and best.

Three stanzas by Kenneth Graham Duffield, in memory of Neal B. Finlay of Memphis, who was killed in action last

August. Finlay was a Massachusetts Mutual Life man, as is Duffield.

"Dead on the field of battle,
Where the eager bullets whine,
And the hungry guns are snarling,
Out on the fighting line.

Dead on the field of battle,
Scorning the shot and shell,
Urging his comrades forward
Into the seething hell.

Dead on the field of battle,
Brave as a man can be.
He fought his fight for Freedom,
And died for you and me."

And so did hundreds of thousands of others of the bravest and truest.